

PLANNING OF THE SELECTED NEGRO-OWNED LIFE INSURANCE  
COMPANIES TOP LEVEL EXECUTIVES AND  
MANAGEMENT STRUCTURE

A THESIS  
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BY  
NIRANJAN DWARKADAS SAMPAT

SCHOOL OF BUSINESS ADMINISTRATION

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owe many words of appreciation. He has taken more than a personal interest to help me with my education. When with Dr. and Mrs. K.K. Das I have not felt as if I were eight thousand miles away from home.

N.D.S.

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## CHAPTER I

### INTRODUCTION

#### Purpose and Scope

This research was designed to conduct a comprehensive survey and analysis of selected Negro-owned life insurance companies' top level executives and management structure. It covers the present and planned structures, broken down at different levels of authority.

The research also includes a subsection as to how the School of Business Administration of Atlanta University can assist in fulfillment of this structural requirement by recruiting its graduates to this type of work.

There are some fifty odd Negro-owned legal reserve life insurance companies in the United States.<sup>1</sup> Legal reserve companies are generally defined as entities operating under insurance laws which specify the minimum basis for policy reserves required to be maintained by the various states for the benefit of policyholders and beneficiaries.<sup>2</sup>

Only legal reserve life insurance companies are considered

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<sup>1</sup>John P. Davis, The American Negro Reference Book (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1966), p.137.

<sup>2</sup>E. M. Lancaster. 1963 Annual Report of Insurance Companies Owned and Operated by Negroes (Washington, D.C.: U.S. National Resources Committee, 1963), pp.1-8.

in this study because of the difficulty of obtaining information about the other companies that have not met the specific requirements of the states in which they operate to be so classified.

For this research work, nine leading companies were selected. Of these nine companies, eight agreed to participate in the project:

1. Afro-American Life Insurance Company.
2. Atlanta Life Insurance Company.
3. Chicago Metropolitan Mutual Assurance Company.
4. Golden State Mutual Insurance Company.
5. North Carolina Mutual Life Insurance Company.
6. Pilgrim Health Life Insurance Company.
7. Supreme Life Insurance Company.
8. Universal Life Insurance Company.

The main purpose of the project is to provide better planning of the top level executive and management structure of these insurance companies. A description of the data and the methods which are used in the investigation are explained below.

A questionnaire (Appendix A) was sent to selected companies with an accompanying letter. The questionnaire was designed to obtain easy and quick information as follows:

1. Identifying information, such as name and address of the company and the name and position of the persons replying to the questionnaire.

2. Project information, mainly emphasizing the information on management structure, which an individual company maintains at present and also their future intentions. The number of persons under study

was also requested.

3. Information on the areas covered by these insurance companies, at present, and on the additional areas to be covered in the next ten years.

4. The number of persons in investment committees, their positions in the company and the future plan and frequency of their meetings.

This questionnaire was sent to nine leading Negro-owned life insurance companies; eight replied. The response, therefore, was 90 percent.



## CHAPTER II

### DEFINITION OF TERMS USED

#### Planning

The definition of "planning" as prepared by the National Resources Committee is as follows:

Planning always means thinking ahead -- vision, based on fact and experience. Where planning involves correlation of action of many interested groups and agencies, it means seeing the picture clearly and seeing it whole....

Planning involves "systematic research" -- putting facts together to sketch possible lines of policy. It means finding the fewest possible points where group action can be applied to provide full use of our local, regional or national resources. It is the direct opposite of "regimentation." It represents organized forethought -- growing out of voluntary cooperation -- based on research and fact.<sup>1</sup>

More or less the same meaning is applied to the word "planning" in this research work. It is the thinking process that should precede any action. It consists of finding and selecting the best idea or scheme for:

1. What action should be taken.
2. What should be the aim or goal of the action.
3. How should the action be carried out.

To state it more elaborately: planning must find out what should be done, and why. It must find out where and why weakness

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<sup>1</sup>Planning Report, 1967 (Washington, D.C.: U.S. National Resources Committee, 1967).

exists and what exactly constitutes the weakness. It thinks up the potentially best ways of making improvements and selects the one best suited to the circumstances. Thus, it must be practical. A plan always sets a goal. If only desired results are described, but no definite goal is set, that is an idea and not a plan. Any good plan is designed to a definite purpose and also the feasibility of achieving it. Accordingly, a plan that does not specify its aim and does not describe the method and the mechanism needed for achieving itself, is not a plan.

At all times and in every detail the purposed mechanism and its operation should be the simplest, best and most direct to suit the needs.

#### Top Level Executives and Management Structure

Top level executives, as used in this study, include three groups of executives. These are: (1) the board of directors; (2) members of the executive committee; and (3) members of the finance committee. Upon the vision, farsightedness, and resourcefulness of this small top group largely depends the success of an enterprise.

The primary responsibilities of top management, as mentioned by Holden are to provide:

1. Farsighted planning and clarification of objectives, visualizing the needs of the business and determining its most advantageous future course.
2. A sound plan of organization, enabling all of its parts, individually and collectively, to function most effectively in reaching the common objectives.
3. Effective means of control, permitting top executives

to delegate wide responsibility and authority, thereby freeing themselves of administrative details in order to concentrate on broad planning and direction.<sup>1</sup>

The management group could be divided into two sub-groups.

These two sub-groups are: (1) administration and (2) management.

As defined by McFarland, the management refers to "the persons who manage the business, whereas the term administration generally refers to the activities of the higher levels in the management group."<sup>2</sup>

From the definition it is concluded that administration is the process and agency which is responsible for the determination of the aims for which an organization and its management are to strive, which establishes the broad policies under which they are to operate and which gives general oversight to the continuing effectiveness of the total operation in reaching the objectives sought.

Management is the process and agency which directs and guides the operations of an organization in the realization of established aims.

The management group, as used in this study, includes two levels: (1) executives, comprising the president, vice president, secretary, treasurer and comptroller and (2) managers of various departments, comprising home office accounting, agency accounting, printing, claim, actuarial and tabulating or data processing departments.

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<sup>1</sup>Paul E. Holden. Top Management Organization and Control (New York: McGraw-Hill Book Co., Inc., 1965), p.3.

<sup>2</sup>Dalton E. McFarland, Management: Principles and Practices, (New York: The Macmillan Company, 1964), p.10.

Apart from top level executives and management groups, this study also includes planning of trainees in the various fields of requirements.

Thus, the title of this work, planning of top level executives and management structure relates to the determination of the basic goals, purposes, missions and objectives of the organization.

#### Planning of Top Level Executives and Management Groups

Planning of top level executives and management group is necessary for the company must decide how it should organize to accomplish the attainment of objectives most effectively. These top level executives and management groups are the part of the organizational structure. It is essential to plan these part structure, because organization is the means through which management plans, directs, coordinates and controls the development of the business toward its established goals.

While a sound logical structure is essential, the human aspects of organization cannot be ignored. The chief executives should use the managerial plan as a means of developing other executives through clearly defined assignment of responsibilities, accountability for performance, delegation of authority, and appraisal of conduct in the position. They can further the development of well-rounded executives through the opportunities and challenges of different positions as the individual grows in stature and experience.

The organization need not remain frozen and static. There

should be a continuing process of refinement, improvement and modification to produce the best management practices, but these are changes in responsibilities and relationships and location of subsidiary functions which do not disturb the basic pattern. Changes in the overall organization should be made only for the most compelling reasons. The principal ones are:

First, a radical change in objectives. Conditions outside of the business, such as the economy, competition, government action or other might require a radical change in objectives. Technological development inside the business or an opportunity to make a major acquisition may also force a recasting of the objectives.

Second, excessive size. The size of a particular activity may be so large that the scope of the decisions required becomes too great or too complex for capable men in the key positions. Positions should always be demanding but not killing. Sheer size often causes real problems in the balancing of management tools such as planning and control.

Third, the economy. The change may result in economics without impairing the effectiveness of the activity or function. Great care must be taken to establish the validity of the projected saving and that the change will not impair the application of sound management practices.

What are the future situations which top management needs to provide for?

1. Effectively utilizing advanced tools of communication and

data gathering.

2. Protecting the future of the business in the face of increasing and more widespread research activities.

3. The need for improved knowledge of the market and service to the customer.

4. Management and motivation of professional and managerial personnel in order to obtain optimum results from their efforts.

5. More intensive executive development to provide the leadership, vision and confidence to cope with the complex problems of tomorrow.

It could be pointed out that the company which is organized to look ahead, plan ahead and gear itself to anticipate the steps which need to be taken to meet these and other situations will be the company which will survive and grow.

### CHAPTER III

#### STRUCTURAL OUTLOOK OF LIFE INSURANCE COMPANIES IN GENERAL

The top level executives and management structures of individual life insurance companies may vary greatly because of the fact that they do not attempt to serve the same market. For example, many companies do not write industrial life insurance or group insurance, whereas it will be seen later on that Negro-owned life insurance companies have major interests in industrial life insurance. Fundamentally, the top level executives and management structure of a life insurance company follows the pattern of other corporations which are concerned with the collection, investment and disbursement of funds.

Thus companies differ widely by size, fields of operation, objectives and other factors. Their actual organizational patterns likewise differ also.

#### Levels of Authority

There are four levels of authority in a life insurance company. The board of directors and its various committees are the top or directorial level of authority. The president and senior officers of the company are found at the executive level. In addition

to serving as part of the executive management team, the senior executive officers are given authority and responsibility for their particular functions. Each of the vice presidents has subordinate officers at the managerial level who are responsible for the day to day functions of their departments. These subordinate officers, who may serve in line, staff, or functional relationships, make decisions on all matters within the limits of authority delegated to them. Finally, the supervisors in charge of subdivisions of the departments are found at the supervisory level of authority.

#### The Board of Directors

The board of directors and the several committees of the board constitute the top level of authority in a life insurance company. In a mutual company the directors are elected by the policyholders from among their own number, whereas in a stock company they are elected by the stockholders and in order to qualify they must be the owners of a designated number of shares. In a mutual company, the policyholders have a theoretical control over management because of their right to elect the directors of the company. In a stock company the policyholders have no such rights and no control over management.<sup>1</sup>

In some companies the president and other officers are members of the board of directors and hence are entitled to membership on important committees. Where the executive officers are not

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<sup>1</sup>Joseph B. Maclean, Life Insurance (New York, McGraw Hill Book Co., Inc., 1964), p.340.



directors, they are invited to various meetings in an advisory capacity. These committees vary in the different companies but usually include an executive or industrial or group life insurance committee, a finance committee, a claims committee, and an auditing committee. The executive committee, consisting of the president and certain members of the board, has for its purpose the consideration and ratification of such matters as bear a vital relation to the general business policy of the company. For example, the committee determines the kinds of insurance contracts which the company will sell, the provisions of the contracts, the premium rates, the territory in which the company will operate, and so forth. The finance committee, consisting of the president and the treasurer of the company and a certain number of the directors, exercises supervisory control over the company's investment policy and practices. The auditing committee maintains general supervision over the company's accounting system and records.

#### Executive Officers

The executive officers are responsible for the carrying out of the policies determined by the board of directors and for the general management of the business. These officers usually comprise the president, one or more vice presidents, each of whom has charge of a department, and the treasurer. The president is usually entrusted by the board of directors with large executive powers, and should not only be well versed in financial matters but should have wide experience in the insurance business so as to interpret properly

the results attained in the respective departments of the company, advise the board of directors in supervising the general business conduct of the company, determine the best policy for it to pursue, and direct the work of the subordinate officials. He is also entrusted with the duty of selecting subordinate officials and departmental heads. The several vice presidents, each of whom usually has charge of a leading department of the company, must also keep in touch with the general business operations of the company so as to be in a position to assist the president in his duties, to assume his responsibilities during his absence, and to be prepared to assume the office in the event of promotion.

#### Functional Areas

The essence of the operations of life insurance companies is found in three basic functions, to sell, to service, and to invest. But to carry out these basic functions properly, there must be a high-quality professional advice from an actuary, lawyer, a doctor, and an accountant. Consequently, most companies have the following functional areas in common: agency, accounting and auditing, investments, law, underwriting, and administration.

#### Departmentalization

Departmentalization means the division of the work to be performed into logical sections or assignments. Business organizations are normally deparmentalized on either a functional, geographical, or product basis. Thus, the acturial department is established on the

basis of function; a Southern department follows from a geographical viewpoint, and the ordinary or group departments are established on the basis of product. In any case a given company will usually follow an individual pattern. The following discussion of functional departmentalization will illustrate the organization of a life insurance company.

The actuarial department recommends the company's premium rates, nonforfeiture values, and generally handles all of the mathematical operations of the company. This department also is responsible for analyzing earnings and furnishes the statistical data from which the annual dividend scale is established. Again, the actuarial staff designs new policies and is responsible for preparing financial statements by government insurance departments. The department also makes mortality studies and supervises the underwriting practices of the company. It works closely with the agency department in considering policy design and other factors which affect the competitive position of the company's field force. Finally, because of the importance of the technical actuarial element in group insurance and group annuities, this department frequently handles the administration of such business or exercises a considerable degree of functional responsibility over it. The role of the actuary is vital to the operation of a life insurance company.

The agency department is responsible for the sale of new business, conservation of existing business, and field service to policyholders. This department supervises the activities of the

company's field force and is also responsible for advertising, sales promotion, market analysis, recruiting, selection and training of agents, and controlling agency costs.

The accounting and auditing department under the direction of a vice president and comptroller is responsible for establishing and supervising the company's accounting and control procedures. The actual preparation of the annual statement is handled here, although the actuarial department exercises considerable functional control in this regard. It is responsible for expense analysis and other operational statistics not handled by the actuarial department.

The investment department, usually under the direction of the treasurer, handles the company's investment program under policies laid down by the board of directors. The department, besides passing on the merits of the company's investments preparatory to presenting them to the finance committee for final approval, is usually the custodian of the bonds, stocks, and other investments held by the company, and is entrusted with the duty of collecting the interest and dividends thereon. To invest the company's money in securities that are safe and yet will yield a return somewhat higher than the rate assumed for premium and reserve computations requires skill and a wide knowledge of the various classes of investments in which life insurance companies are permitted to invest their funds. Great care must be exercised, especially with regard to investments in real estate mortgages. Second, acceptance of these involves a knowledge of values, the character of the mortgagor, and an examination of the mortgages

and abstracts of title. Since real estate mortgages constitute so large a proportion of the total investments in the industry, it is common for large companies to have a special department -- a real estate department -- to manage and supervise them.

The legal department is charged with the responsibility of handling of the company's legal matters. These include, among other things, the conduct of court cases growing out of the contested claims, foreclosure proceedings, imperfect titles, and so forth; the sufficiency and correctness of policy forms, agency contracts, bonds, notes and so forth; the inspection of titles to property purchased by the company or upon which it has granted loans; and the analysis and interpretation for the benefit of the company of the statutory and court law governing life insurance in those states where the company operates.

The underwriting department is responsible for establishing standards of selection and to pass judgment upon applicants for insurance. In some companies the medical department is given separate status. The medical director supervises the company's force of medical examiners and may be the final authority to pass upon the insurability of applicants.

The administration department, often headed by the secretary, is responsible for providing home office service to the company's field force and policyholders. This usually includes the issuance of new policies, premium and commission accounting, claims, loans, surrenders, policy changes, and other similar transactions. This

department is also responsible for the personnel administration and office planning. The secretary has charge of the company's correspondence, the minutes of the board of directors and its various committees, and the company's records.

## CHAPTER IV

### STRUCTURAL OUTLOOK OF LIFE INSURANCE COMPANIES OWNED AND OPERATED BY NEGROES

Life insurance companies owned and operated by Negroes started in the latter part of the nineteenth century. The main reason for their origin was to protect the community from the discriminatory practices of the companies serving the national market. In the 1880's, some companies made different mortality tables, thereby charging higher premiums to Negroes for the same amount of coverage. Even under such circumstances some of the companies refused to insure Negroes.<sup>1</sup>

In order to protect the people of the community, a few Negroes recognized the need to have their independent life insurance company and, therefore, Negro-owned life insurance companies came into being. In spite of many failures in the past, business has continued to improve and although the progress is not rapid, it is certainly encouraging.

Table 1 lists the names of the selected eight companies, the locations of the companies' head offices and where they have branch offices in operation. Out of 52 states in the United States, there are 29 in which Negro-owned life insurance companies are

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<sup>1</sup>Davis, op.cit.

TABLE 1

LOCATION OF THE HEAD OFFICE AND BRANCHES OF SELECTED LIFE  
INSURANCE COMPANIES OWNED AND OPERATED BY NEGROES

Name	Alabama	Arizona	Arkansas	California	D.C.	Florida	Georgia	Hawaii	Illinois	Indiana	Kansas	Kentucky
Afro-American Life Insurance Co.	x					x	x					
Atlanta Life Insurance Co.	x					x	x		x		x	x
Chicago Metropolitan Mutual Assurance Co.									x	x		
Golden State Mutual Insurance Co.		x		x				x	x	x		
North Carolina Mutual Life Insurance Co.	x			x	x	x	x		x	x		
Pilgrim Health Life Insurance Co.	x					x	x					
Supreme Life Insurance Co. of America				x	x				x	x	x	x
Universal Life Insurance Co.			x	x							x	
TOTAL	4	1	1	4	2	4	4	1	5	4	3	2

Source: Questionnaire sent to various companies (see Appendix).



Louisiana	Maryland	Michigan	Mississippi	Missouri	New Jersey	North Carolina	Ohio	Oklahoma	Oregon	Pennsylvania	South Carolina	Tennessee	Texas	Virginia	Washington	West Virginia	TOTAL
													x				4
		x		x			x					x	x				11
		x		x			x										5
		x						x	x				x		x		10
	x	x			x	x				x	x	x		x			15
											x						4
	x	x		x			x			x		x				x	13
x			x	x				x				x	x	x			10
1	2	5	1	4	1	1	3	2	1	2	2	4	4	2	1	1	72

operating at the present time. There are 5 companies located in Illinois and 5 in Michigan. It is interesting to note that there is only one company in operation in the state of North Carolina -- the North Carolina Mutual Life Insurance Company. There are 9 states having 4 companies, 2 states having 3 companies, 6 states having 2 companies, and 10 states having one company each. The locations which are head offices are marked in green.

Figure 1 indicates the locations of the company head office and branches. It seems that most of the companies and branches are located in the Northeast and Southeast section of the country, but there are a few companies in the West and a few in the Central states. There are 23 states where there is not a single life insurance company owned and operated by Negroes.

Of the selected eight companies, North Carolina Mutual Life Insurance Company has the highest number of locations and the number, including the head office, reaches 15, which is followed by the Supreme Life Insurance Company which has 13 locations. Atlanta Life Insurance Company has 11 locations. There are 2 companies with 10 locations: Golden State Mutual Life Insurance Company and Universal Life Insurance Company. Chicago Life Metropolitan Mutual Assurance Company has 5 locations and Afro-American and Pilgrim Health Insurance Company have 4 locations each. Thus, there are eight companies, having 72 locations in the 29 states throughout the United States, owned and operated by Negroes.



FIGURE 1 p. 21

Legend for Figure 2:

1. Afro-American Life Insurance Co.
2. Atlanta Life Insurance Co.
3. Chicago Metropolitan Mutual Assurance Co.
4. Golden State Mutual Life Insurance Co.
5. North Carolina Mutual Life Insurance Co.
6. Pilgrim Health Insurance Co.
7. Supreme Life Insurance Co.
8. Universal Life Insurance Co.

Managerial Structure of the Life Insurance  
Companies Owned and Operated by Negroes

As mentioned earlier, there are usually four levels of authority in a life insurance organization. These levels are:

1. The board of directors and its various committees.
2. The president and senior officers.
3. Managers of various departments.
4. Supervisors in charge of subdivisions of the departments.

First Level of Authority

The first level of authority is as follows:

1. Board of directors.
2. Executive committees.
3. Finance committees.

Table 2 indicates the first level of authority and gives information about the eight selected life insurance companies which are owned and operated by Negroes. The table not only indicates the present

TABLE 2

## FIRST LEVEL OF AUTHORITY IN THE ORGANIZATION

Company	Present Number	Board of Directors					Officers	
		Projected No.				Years	No. of	Persons under
		3	5	7	10			
Afro-American Life Insurance Co.	19	20	20	20	20		1	
Atlanta Life Insurance Co.	9						2	
Chicago Metropolitan Mutual Assurance Co.	9	9	11	-	11		2	
Golden State Mutual Insurance Co.	14	-	-	-	-		-	
North Carolina Mutual Life Insurance Co.	11	-	2	2	7		-	
Pilgrim Health Life Insurance Co.	15	-	-	-	-		2	
Supreme Life Insurance Co. of America	14	-	-	-	-		-	
Universal Life Insurance Co.	13	-	-	-	-		2	

Source: Questionnaire sent to various companies (see Appendix).

Officers

Executive Committee						Finance Committee					
Present Number	Projected No. Years				No. of Persons under Study	Present Number	Projected No. Years				No. of Persons under Study
	3	5	7	10			3	5	7	10	
8	9	9	9	9	1	4	5	5	5	5	1
3	5	5	5	5	2	3	5	5	5	5	2
*7	-	-	-	-	-	*	-	-	-	-	-
6	-	1	-	5	-	7	-	1	-	6	-
5	-	-	-	-	-	5	-	-	-	-	-
8	-	-	-	-	-	5	-	-	-	-	-
9	-	-	-	-	9	3	-	-	-	-	3

\* Executive Committee + Finance Committee = 7

number on the board of directors and the executive and finance committees in each company, but also indicates the projected figures for the future periods ranging from 3 to 10 years. It also indicates the number of persons under study at the various levels in each company.

As indicated in the table, Atlanta Life Insurance Company and the Chicago Metropolitan Mutual Assurance Company have the lowest number of persons on their boards of directors. The Atlanta Life Insurance Company intends to keep the same number of members of the board in the future and has two persons under study at this level. Chicago Metropolitan intends to increase its members of the board to eleven during the coming five years. Afro-American Life Insurance Company has the highest number of persons on the board of directors. It has nineteen and intends to increase this number by one to a total of twenty in the coming three years. It has one person under study at this level. Golden State, North Carolina Mutual, Supreme Life and Universal Life do not have any persons under study at the first level.

The Executive Committee and the Finance Committee are two typical committees usually found in life insurance companies. The number of persons in these committees differs from company to company, because the various companies differ widely in size, objectives and other such factors; therefore, it is difficult to say which number is appropriate and which is inappropriate. These committees play a vital role in the success of the organization and, as such, the persons

under study must be selected very carefully so as to make executives at a later date.

#### The Second Level of Authority

The second level of authority is as follows:

1. President.
2. Vice president.
3. Secretary.
4. Treasurer.
5. Cashier.

Table 3 shows the second level of authority and describes the number of persons at various levels along with the projected number of persons at various levels and persons under study. As indicated by the table, Afro-American Life Insurance Company has three persons under study at the presidential level. The president's position is very responsible and two or three persons under study at this level are desirable. Among the other companies, Chicago Metropolitan Mutual Assurance Company also has three persons under study, whereas other companies are lagging behind.

The table further indicates that Afro-American Life Insurance company has eight vice presidents and has no persons under study, whereas Chicago Metropolitan Insurance Company has seven vice presidents and four persons under study. The company intends to increase the number of vice presidents from seven to nine in ten years' time. Universal Life Insurance Company and the Supreme Life Insurance Company have eight vice presidents each, but the former has eight



TABLE 3

## SECOND LEVEL OF AUTHORITY IN THE ORGANIZATION

Company	Executives					No. of Per- sons under Study
	Present Number	President				
		Projected No. Years				
		3	5	7	10	
Afro-American Life Insurance Co.	1	1	1	1	1	3
Atlanta Life Insurance Co.						
Chicago Metropolitan Mutual Assurance Co.	1	-	-	-	1	3
Golden State Mutual Insurance Co.	1	-	-	-	-	-
North Carolina Mutual Life Insurance Co.	1	-	1	-	-	-
Pilgrim Health Life Insurance Co.	-	-	-	-	-	-
Supreme Life Insurance Co. of America	1	-	-	-	-	-
Universal Life Insurance Co.	1	-	-	-	-	1

Source: Questionnaire sent to various companies (see Appendix).

**Executives**

**Vice President**

**Secretary**

Present Number	Projected No.				No.of Per- sons under Study	Present Number	Projected No.				No.of Per- sons under Study
	Years						Years				
	3	5	7	10			3	5	7	10	
8	8	8	8	8	-	2	2	2	2	2	-
7	-	-	-	9	4	1	-	-	-	1	3
1	-	-	-	-	-	3	-	-	-	-	-
6	-	-	-	6	-	1	-	-	-	1	-
-	-	-	-	-	-	-	-	-	-	-	-
8	-	-	-	-	2	1	-	-	-	-	-
8	-	-	-	-	8	1	-	-	-	-	1

Executives											
Treasurer						Cashier					
Present Number	Projected No. Years				No. of Per- sons under Study	Present Number	Projected No. Years				No. of Per- sons under Study
	3	5	7	10			3	5	7	10	
1	2	2	2	2	-	-	-	-	-	-	-
-	1	-	-	1	1	1	1	-	-	1	1
1	-	-	-	-	-	1	-	-	-	-	-
1	-	1	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1	-	-	-	-	-
1	-	-	-	-	1	3	-	-	-	-	3

persons under study, whereas the latter has only two.

It is interesting to note here that Chicago Metropolitan has one secretary for a president and seven vice presidents, whereas Golden State Mutual Insurance Company has three secretaries for a president and one vice president. What is important is to have a balanced organization. Few companies have a separate treasurer, whereas others have one of their vice presidents acting in that position. Universal Life Insurance Company has three cashiers, whereas Afro-American does not have anyone at this level.

#### Third Level of Authority

The third level of authority consists of departmental managers, as follows:

1. Bookkeeping.
2. Agency accounting.
3. Printing department
4. Claim department
5. Acturial Department
6. Data processing.

The organizational set up at this level is less complicated than the first two levels. Each department is looked after by a manager, who is assisted by another person designated as assistant manager.

Table 4 shows the third level of authority, and it can be seen that Chicago Metropolitan Assurance Company has one manager for each department except for the claim and acturial departments.

TABLE 4

## THIRD LEVEL OF AUTHORITY IN THE ORGANIZATION

Company	Management					
	Present Number	Bookeeping				No. of Per- sons under Study
		Projected No.				
		Years.				
		3	5	7	10	
Afro- American Life Insurance Co.	1 -	1 1	1 1	1 1	1 1	- -
Atlanta Life Insurance Co.	- -	- -	- -	- -	- -	- -
Chicago Metropolitan Mutual Assurance Co.	1 1	- -	- -	- -	1 1	1 1
Golden State Mutual Insurance Co.	1 -	- -	- -	- -	- -	- -
North Carolina Mutual Life Insurance Co.	1 -	- -	- -	- -	1 -	1 -
Pilgrim Health Life Insurance Co.	- -	- -	- -	- -	- -	- -
Supreme Life Insurance Co. of America	1 1	- -	- -	- -	- -	- -
Universal Life Insurance Co.	1 1	- -	- -	- -	- -	1 1

Source: Questionnaire sent to various companies (see Appendix).

Management

Agency Accounting

Printing Department

Present Number	Projected No. Years				No. of Per- sons under Study	Present Number	Projected No. Years				No. of Per- sons under Study
	3	5	7	10			3	5	7	10	
1	1	1	1	1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1	1	1	1	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
1	-	-	-	2	-	1	-	-	-	1	1
1	-	-	-	1	-	1	-	-	-	2	1
1	-	-	-	-	-	1	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
1	-	-	1	-	-	1	-	-	-	1	-
-	-	-	-	-	-	1	-	-	-	1	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
1	-	-	-	-	-	1	-	-	-	-	-
1	-	-	-	-	-	1	-	-	-	-	-
1	-	-	-	-	1	1	-	-	-	-	1
1	-	-	-	-	1	1	-	-	-	-	1

## Management

[illegible]

Management					
Calculating or Data Processing					
Number Present	Projected No. Years				No. of Per- sons under Study
	3	5	7	10	
1	1	1	1	1	1
2	2	3	3	3	-
-	-	-	-	-	-
-	-	-	-	-	-
1	1	-	-	1	1
1	2	-	-	2	1
1	-	-	-	-	1
-	-	-	-	-	-
1	-	-	-	1	-
-	-	-	-	-	1
-	-	-	-	-	-
-	-	-	-	-	-
1	-	-	-	-	-
1	-	-	-	-	-
1	-	-	-	-	1
2	-	-	-	-	2



The company intends to have a manager for these two departments within the next five years. Universal Life Insurance Company has one manager for each department, except for the acturial department.

At this level, less than 50 percent of the companies have persons under study. Also at this level the responsibility of managers is not as heavy as that of persons in the first two levels. Even so, it is essential to train persons for this level in order to have better control over the organization. Success of the organization depends not only on efficient officers or executives, but on the entire structure which is responsible for the achievements of the company. It is essential to put emphasis on training even at this level.

The success of each department is attributable to the manager in charge. A combination of the success of all departments results in the final attainment of the organizational goals.

#### The Fourth Level of Authority

The fourth level of authority consists of trainees, as follows:

1. Accountants
2. Finance
3. Management
4. Salesmanship (agents)
5. Field agents
6. Others.

Table 5 shows the fourth level of authority, that of trainees,

TABLE 5

## FOURTH LEVEL OF AUTHORITY IN THE ORGANIZATION

Company	Trainees					
	Present Number	Accounting				No. of Per- sons under Study
		Projected No. Years				
		3	5	7	10	
Afro-American Life Insurance Co.	1	-	-	-	-	-
Atlanta Life Insurance Co.	-	-	-	-	-	-
Chicago Metropolitan Mutual Assurance Co.	-	-	-	-	-	-
Golden State Mutual Insurance Co.	3	-	-	-	-	-
North Carolina Mutual Life Insurance Co.	-	-	-	-	-	-
Pilgrim Health Life Insurance Co.	-	-	-	-	-	-
Supreme Life Insurance Co. of America	-	-	-	-	-	-
Universal Life Insurance Co.	1	-	-	-	-	1

Source: Questionnaire sent to various companies (see Appendix).

# Trainees

## Finance

## Management

Present Number	Projected No.				No.of Per- sons under Study	Present Number	Projected No.				No.of Per- sons under Study
	Years						Years				
	3	5	7	10			3	5	7	10	
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	7	-	-	-	-	-
-	-	-	-	-	-	2	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
1	-	-	-	-	1	5	-	-	-	-	5

[illegible]

Trainees					
Others					
Present Number	Projected No.				No. of Per- sons under Study
	Years				
	3	5	7	10	
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

who are the base of the entire structure. The table indicates the long-range planning insofar as their trainees are concerned of the selected companies. The stronger base could be made with a good training program. New entrants, however qualified they may be, must be well informed of the company's strategies and objectives. They should also be acquainted with the company's organizational structure and other important information such as which person is their immediate superior. It is necessary, therefore, to train the person in order to help him understand the company's methodology and thereby making him a person fully qualified to do his or her job.

The table indicates that less than 50 percent of the companies have trainees in the various positions. Afro-American has one person in their training program in accounting. Chicago Metropolitan Mutual has seven management trainees and twenty field agents; the company plans to increase this number to fifty in the next ten years. Golden State Mutual has three trainees in accounting, two in management and fifty in salesmanship; the company also has three trainee auditors. Universal Life Insurance Company has one accounting trainee, one finance trainee and five management trainees.

This is the level at which the majority of graduates are hired so as to train them for superior positions. These companies usually need more trainees as salesmen (agents) than in any other positions. This has created the impression in the minds of students that life insurance work is more or less similar to that of selling on a commission basis. Due to such an impression, life insurance

companies are lagging behind in obtaining upper grade graduates--at least to work as salesmen.

## CHAPTER V

### LIFE INSURANCE COMPANIES AND GRADUATES

Firms in all branches of business and industry seek to attract top-flight graduates from institutions of higher education to meet their personnel needs. The following gives an idea of the attitudes of the life insurance industry toward the graduates and that of the graduates toward the industry.

Most life insurance companies employ graduates in positions such as acturial trainees, accountants, underwriters, security analysts, claim supervisors, personnel officers, mortgage analysts, statisticians, etc. Young college graduates generally prefer staff to line positions; the former are believed to be more glamorous than the latter, which are considered to be routine.

Some company executives are not anxious to employ an ever-increasing number of graduates in a responsible position immediately. They believe that internship may be equally as important as higher education and that often the necessary academic training can be obtained in courses such as those given for preparation for Life Office Management Association Institute Examinations, or by preparing for Charter Life Underwriters. They often accuse college graduates of wanting to be vice president within six months, or or being too



preoccupied with vacation and fringe benefits. On the other hand, officers of those companies which hire large numbers of such graduates are generally pleased with the adequacy of their college training, their ability to get along with others and their attitudes toward job responsibilities.

The problem encountered most often in working with graduates from institutions of higher education after they have been employed is their desire to progress more rapidly than the organization will allow. It is important, however, that the proper selection and orientation play a vital role in the behavior of the graduates. The company which feels disgusted with college graduates might be able to form a completely different picture by placing more emphasis on their selection and orientation methods.

The officers of a majority of the companies in the life insurance industry feel that they are obtaining a sufficient number of college graduates to satisfy their immediate needs. This is true of those companies which are not convinced of the wisdom of employing large numbers of college graduates and also of those with organized college programs which have managed to fill their annual quotas. In many instances, the companies are meeting their present needs but cannot meet long-run requirements, in particular for the eventual replacement of junior and senior officers.

From the point of view of the graduate, life insurance is considered one of the least glamorous industries. Only a very small proportion of the typical graduates give any thought to an

insurance career. Knowledge of non-sales opportunities in life insurance is lacking and life insurance employment is considered synonymous with sales on a commission basis. (See Appendix.)

The enthusiasm of students who are informed of life insurance opportunities is frequently dampened by the relatively low starting salaries offered by most life insurance companies. It seems that public accounting, industrial accounting and production management positions command higher starting salaries than do life insurance office positions.

#### An Appraisal of Life Insurance Employment Opportunities

The advantages of life insurance employment most often cited by company officers are: opportunity for advancement, security, good working conditions, excellent growth record of the company, fringe benefits, good salaries, training programs and favorable locations. Low pay and, paradoxically, slow advancement are the principal disadvantages. A good company growth record is particularly important where many college graduates are employed, since growth companies are better able to cope with the eagerness of their employees to advance to new positions of responsibility.

Most college graduates have a strong preference for companies which offer an organized training program. Convinced of the value of education, they feel that their chances of success in a particular field of business will be enhanced by thorough training. Training programs offer a sense of security to the new college graduate who may be afraid to plunge into the business world strictly on his own,

after a relatively sheltered and closely supervised educational experience. Also, the larger the investment a company makes in training a new employee, the less likely it is that the company will discharge him after a brief period of employment.

#### Life Insurance Companies and Atlanta University

The Atlanta University School of Business Administration has been playing a valuable role in contributing graduates to the field of business every year. The University is one of the leading predominantly Negro schools in the nation. The School of Business Administration has been moving forward rapidly during the past few years and the number of students receiving Master's degrees in Business Administration has been increasing steadily. Table 6 indicates the number of students who have received the Master of Business Administration degree each year for the past twelve years. It also indicates the projected number of students likely to receive degrees in each year through 1978. At this rate of growth and under similar circumstances, the number of students receiving the MBA degree per year is expected to go as high as 53 in 1975 and to 60 in 1978.

It is true that the majority of the students do not prefer to go into life insurance company work. The reason might be that they consider the life insurance agent's job very wearying. It is important at this point to help holders of Master's degrees understand that it is not necessary that they start their careers in life

TABLE 6

NUMBER OF STUDENTS RECEIVING MASTER OF BUSINESS  
ADMINISTRATION DEGREE FROM ATLANTA UNIVERSITY,  
FROM 1955 TO 1966, WITH PROJECTED NUMBER OF STU-  
DENTS EXPECTED TO RECEIVE THE MBA DEGREE FOR EACH  
YEAR THROUGH 1978

Year	Number	Projected Number
1955	4	
1956	3	
1957	5	
1958	16	
1959	12	
1960	9	
1961	5	
1962	15	
1963	16	
1964	21	
1965	12	
1966	22	
1967	48	
1968	44	
1969		43
1970		45
1971		47
1972		49

Table 6 (continued)

Year	Number	Projected Number
1973		51
1974		52
1975		53
1976		55
1977		57
1978		60

insurance as an agent. Similar to other industries, life insurance companies also have various other positions open to MBA degree holders, such as accounting, finance, and management positions.

Atlanta University, by encouraging graduates to enter the life insurance field, assists in filling the present and future needs of life insurance companies. For this purpose, the School has an efficient staff to train the students in finance, accounting and management. The School also provides quantitative training such as business mathematics and business statistics which are important courses for the students who intend to work in life insurance companies.

At the present time, the School of Business Administration at Atlanta University has an enrollment of 162 students.<sup>1</sup> Looking into the present needs and future expectations, a new building has been

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<sup>1</sup>Report of the President (Atlanta: Atlanta University, 1969).

erected for the School. The new building will further help to fulfill the needs of many industries, including life insurance companies.

## CHAPTER VI

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This has been a research work regarding the planning of top level executives and management structure of selected Negro-owned life insurance companies. Out of some fifty-odd such companies, eight have been selected for this work. The selected companies are as follows:

1. Afro-American Life Insurance Co.
2. Atlanta Life Insurance Co.
3. Chicago Metropolitan Mutual Assurance Co.
4. Golden State Mutual Insurance Co.
5. North Carolina Mutual Life Insurance Co.
6. Pilgrim Health Life Insurance Co.
7. Supreme Life Insurance Co.
8. Universal Life Insurance Co.

For this work a questionnaire (see Appendix) was sent to various companies.

Planning is essential for any kind of industry and it plays a vital role in life insurance companies. It determines the actions, goals of the action and how the action should be carried out. The plan, to have its full value, should be within the reach of the company.

This study deals with the top level executives which are:

(1) the board of directors; (2) members of executive committees; and (3) members of finance committees. They are mainly concerned with deciding the basic policies and patterns of the company and need to have very special abilities for their work. The study further deals with the management group, which is divided into two: (a) administration and (b) management. Administration is the process and agency which is responsible for the determination of the aims, whereas management is the process and agency which works on the established aims of the company.

The management group consists of two levels:

1. Executives, which include the president, vice president, secretary, treasurer and comptroller or investment executives.

2. The managers of various departments, such as home office accounting, agency accounting, printing, claim actuarial and tabulating or data processing departments.

The study also includes the planning of trainees in the various fields of requirements.

The planning of the above mentioned structure is essential because of the fact that success or failure of the business lies in the hands of these people. In life insurance companies, the top level executives and management structure follows the pattern of other corporations which are concerned with the collection, investment and disbursement of funds.

The four levels of authority which are found within the



the selected eight companies are as follows:

- I. a. The Board of Directors
  - b. Finance committee
  - c. Executive committee
- II. a. Executives:
  - b. President
  - c. Vice president
  - d. Secretary
  - e. Treasurer
  - f. Comptroller
- III. Departmental Managers
- IV. Trainees

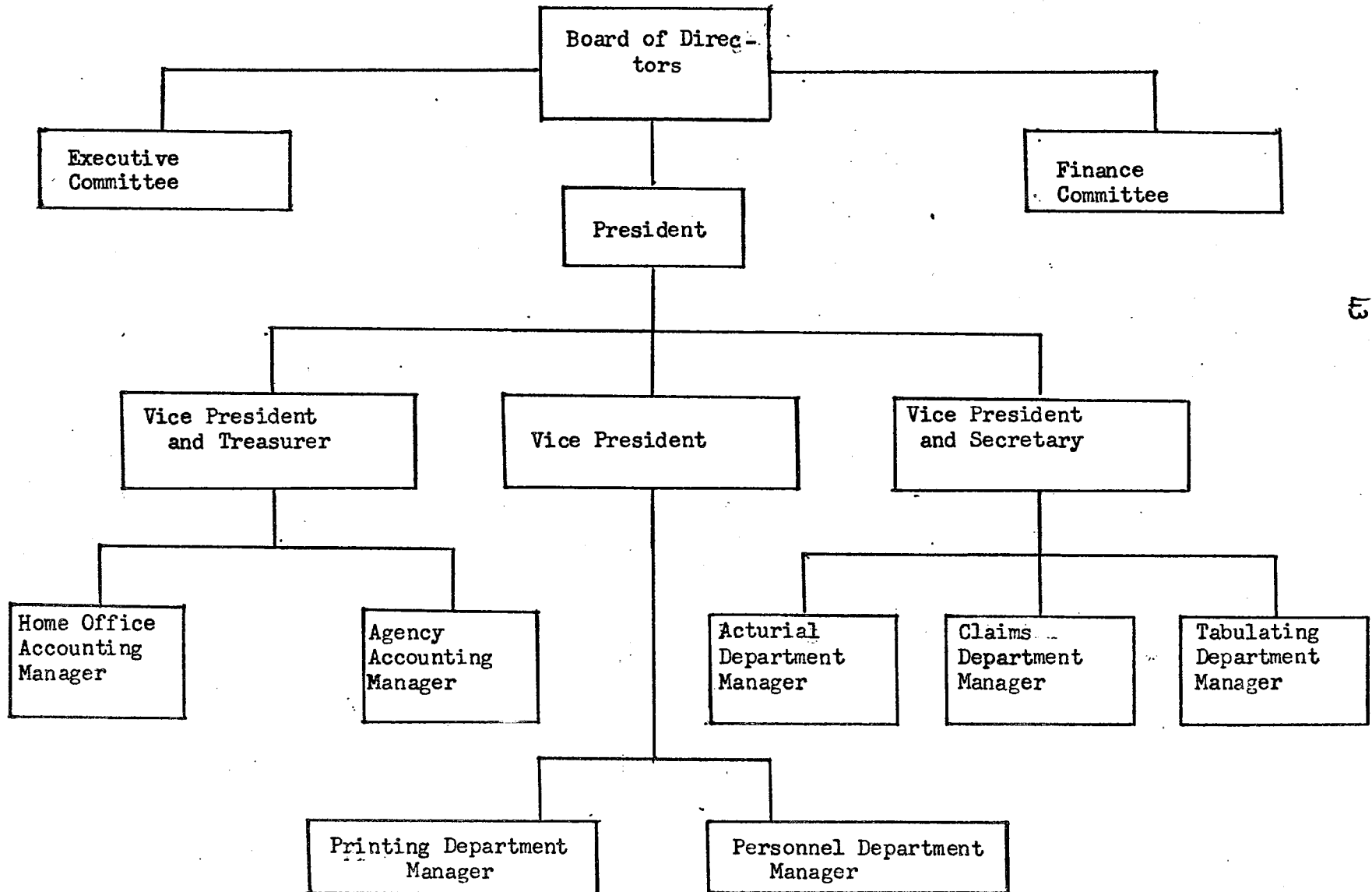
Figure 2 gives an organization chart which is more or less common with these selected companies. This chart does not represent an exact picture of any one particular company but gives a general idea regarding the set up of the organizational structure of the selected life insurance companies.

Negro-owned life insurance companies came into practice in the latter part of the nineteenth century. The selected eight companies are located in 29 out of 52 states. The number of persons at the various levels in the different companies varies because of the differences in the basic policies and the nature of the business of these companies.

Life insurance companies are not very popular when compared to other industries bidding for the services of graduates of Atlanta University graduates. The salaries they offer do not compare favorably with other industries for students with an MBA degree. On the part of students, they do not show an interest in life insurance work because of the lack of knowledge of non-sales positions in this

FIGURE 2

ORGANIZATION CHART



industry. These companies give more or less similar benefits which are provided by other industries. The disadvantages are low starting salaries and slow advancement.

The School of Business Administration at Atlanta University has been developing graduates to assist in fulfillment of the requirements of these companies. In 1955, four students received the MBA degree; the number was up to twenty-two in 1966. The School hopefully expects to progress very well during the coming years.

#### Conclusions.

The first conclusion is that Negro-owned life insurance companies are lagging behind in the matter of planning of their top level executives and managerials and, as such, are lagging behind in growth of their business as compared with other companies in the industry. Secondly, they do not have efficient long-term planning programs. Most of the companies have conservative investment programs, which result in slow relative growth.

Thirdly, their share of business in industry is very low. They operate in a narrow, segregated market. It is surprising to note that out of the selected leading Negro-owned life insurance companies, there is not one which has a branch in New York State. Out of the 52 states, they operate in only 29. About 11 percent of the population is Negro, with roughly 6.4 percent of the total income, whereas the life insurance companies owned by Negroes have a share in the industry below half one percent.

Fourthly, it seems that these companies have not made any

positive attempts to improve their personnel situation. They do not take an active part in recruiting on the campus of Atlanta University and it seems that they have no proper plans to meet their personnel problems.

Finally, they need improved management ability to strengthen their investment portfolio. They need persons with the MBA degree and an appropriate background to help bring them out of their somewhat shaky position. They are more a family concern than a professional team. What is really needed is for the companies to come out of the effects of nepotism in order to have more qualified and skilled management for their respective organizations.

#### Recommendations

It is recommended that these selected companies need to improve their managerial capabilities. As mentioned previously, they are lacking in efficient planning. The problem really needs to be attacked from various sides. On one side, they need to provide training to their existing staff to bring them up to the competitive level and, on the other front, they need to reduce the outflow of their skilled personnel to other companies.

It is recommended that a training program be introduced at every level for a temporary period and a permanent program be introduced for every new staff member. Again, it will be beneficial to the companies to create vacancies at lower levels rather than at the higher levels. Higher level vacancies should be filled from within the existing staff, thereby creating vacancies at the lower

levels. This will provide an incentive to the working staff of the company.

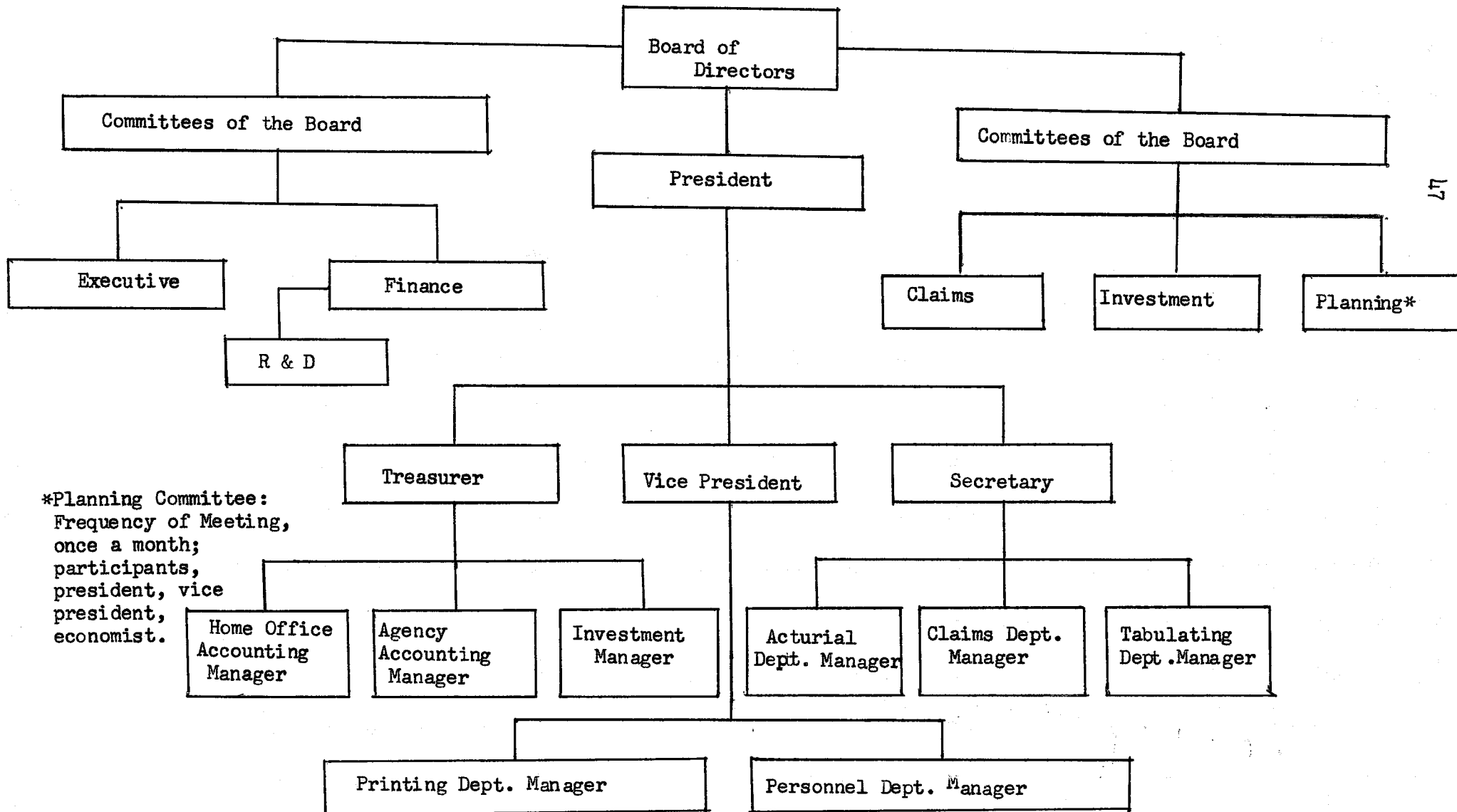
Delegation, which is the sharing of authority, responsibility and accountability for work, is one of the best means of training tomorrow's management.

As indicated by the placement directors' replies to a questionnaire (see Appendix), the life insurance companies are not very popular when compared to other industries bidding for the services of graduates. Competitive salary levels and increased benefits might help these companies to overcome such problems.

Two features, namely conservative portfolio and nepotism, need to be dealt with. The investments portfolio needs to be corrected and could be done by hiring young, aggressive graduates with a business administration background, preferably with a concentration in finance. This might not have any immediate effects, but it will help the industry in the long run. Nepotism is another feature and, in today's competitive business, needs to be rigidly checked. The ability of the person should be the factor in selecting new staff members rather than the relationship.

An organization chart (see Figure 2) with common characteristics was mentioned before. Figure 3 gives a new, improved chart which would make the organization more efficient in its operation. Together with other changes, a planning committee should be introduced in an organization such as a life insurance company. This committee should make long-range and short-range planning, and should cover financial as well as managerial aspects. It should meet at least once a month and

FIGURE 3  
ORGANIZATION CHART



\*Planning Committee:  
Frequency of Meeting,  
once a month;  
participants,  
president, vice  
president,  
economist.

should discuss overall effects of their planning on the operation of the company.

The contribution toward industry and business of the Negro-owned life insurance company is very low. It is recommended that they need to expand their business by opening branches in cities set out in the following table as well as initiating new companies in various states (see Table 7). This table indicates: (1) the income and population of the states in which there are Negro-owned life insurance companies in operation and (2) it also indicates the income and population of the states in which there are no Negro-owned life insurance companies in operation.

Out of the twenty-nine states having Negro-owned life insurance companies, few states have an income per person which is higher than the median income for Negroes in the United States. These states might provide a potential market for any entrepreneur who wishes to develop the enterprise or even to make a fresh start. They are as follows (in order of priority):

1. Michigan
2. California
3. Illinois
4. Ohio.

Of the states in which there are no Negro-owned life insurance companies, eight of them seem to be attractive for the future development of such companies. In order of priority, these states are:

- (1) New York; (2) Massachusetts; (3) Connecticut; (4) Wisconsin; (5) New Mexico; (6) Delaware; (7) Colorado; and (8) Alaska. These states

TABLE 7

INCOME AND POPULATION OF THE STATES HAVING NEGRO-OWNED  
LIFE INSURANCE COMPANIES AND OF STATES NOT HAVING  
NEGRO-OWNED LIFE INSURANCE  
COMPANIES

State	Nonwhite Population	Nonwhite Income (Urban)	
		Male	Female
	<u>With Negro-owned Life Insurance Companies*</u>		
Alabama	983,131	\$ 1,963	\$ 692
Arizona	132,644	2,553	968
Arkansas	390,569	1,455	619
California	1,261,974	3,734	1,642
D.C.	418,693	3,333	1,894
Florida	436,190	2,261	908
Georgia	1,125,893	1,947	785
Hawaii	430,542	4,119	2,021
Illinois	1,070,906	3,660	1,683
Indiana	273,944	3,514	1,176
Kansas	99,945	2,895	979
Kentucky	218,073	2,095	837
Louisiana	1,045,307	2,018	827
Maryland	526,770	3,091	1,245
Michigan	737,329	3,833	1,347
Mississippi	920,595	1,559	583



TABLE 7 (continued)

State	Nonwhite Population	Nonwhite Income (Urban)	
		Male	Female
Missouri	396,846	2,839	1,111
New Jersey	527,779	3,406	1,645
North Carolina	1,156,870	1,953	783
Ohio	796,699	3,485	1,261
Oklahoma	220,384	2,060	923
Oregon	36,650	3,117	1,307
Pennsylvania	856,362	3,242	1,411
South Carolina	831,572	1,679	644
Tennessee	589,336	2,025	765
Texas	1,204,846	2,218	833
Virginia	824,506	2,405	892
Washington	101,539	3,385	1,485
West Virginia	90,228	2,123	820
<u>With No Negro-Owned Life Insurance Companies**</u>			
Alaska	51,621	3,460	1,288
Colorado	53,247	3,289	1,432
Connecticut	111,418	3,583	1,592
Delaware	61,965	2,998	1,185
Idaho	9,808	2,161	1,043
Iowa	28,828	3,180	1,152
Maine	5,974	2,295	908
Massachusetts	125,434	3,036	1,648
Minnesota	42,261	3,231	1,572

TABLE 7 (continued)

State	Nonwhite Population	Nonwhite Income (Urban)	
		Males	Females
Montana	24,029	2,250	1,011
Nebraska	36,566	3,182	1,150
Nevada	21,835	3,448	1,764
New Hampshire	2,587	2,973	1,034
New Mexico	75,260	2,486	1,076
New York	701,875	3,330	1,981
North Dakota	12,908	2,510	1,161
Rhode Island	20,776	3,562	1,159
South Dakota	27,776	1,237	977
Utah	16,799	3,319	1,328
Vermont	789	NA	NA
Wisconsin	92,874	3,927	1,411
Wyoming	7,144	2,947	1,040

\* Source: U.S. Census of Population: 1960 and the questionnaire (see Appendix).

\*\*Source: U.S. Census of Population: 1960.

NA = Not available.

have a comparatively large nonwhite population which might offer a substantial market for any businessman who wishes to make a fresh start in the life insurance business or to an existing company which might be interested in expanding its operations.

## APPENDIX

### QUESTIONNAIRE SENT TO LIFE INSURANCE COMPANIES

#### I. Identifying Information

Company Name

Address

City and State

Zip Code

Your Name

Title

#### II. Project Information

	Present	Projected	No. of
	Number	No. of Yrs. 3 5 7 10	Persons under Study*

#### OFFICERS:

- A. Board of Directors
- B. Executive Committee
- C. Finance Committee

#### EXECUTIVES:

- A. President
- B. Vice President
- C. Secretary
- D. Treasurer
- E. Cashier

#### MANAGEMENT:

- Department and Asst. Managers
  - 1. Home Office Accounting
    - a. manager
    - b. assist. manager

	Present Number	Projected No. Years				No. of Per- sons under Study*
		3	5	7	10	

## 2. Agency Accounting

a.

b.

## 3. Printing Department

a.

b.

## 4. Claim Department

a.

b.

## 5. Acturial Department

a.

b.

## 6. Tabulating Department

a.

b.

## TRAINEES:

A. Accountant

B. Finance

C. Management

D. Field Agent

E. Salesmanship (Agents)

F. Others

\* One who stands prepared to act another's part or take over another's duties.

III. Area Covered (Write cities and States)

A. Present Area:

B. Additional area to be covered in next ten years.

IV. Number and location of Branches:

V. Number of persons in investment committees, their positions in the company and future plans and frequency of their meeting.

VI. Comments, points of clarification, etc.

QUESTIONNAIRE FOR COLLEGE AND UNIVERSITY PLACEMENT DIRECTORS

Please return to: Niranjan D. Sampat  
 School of Business Administration  
 Atlanta University  
 Box 216  
 Atlanta, Georgia

I would appreciate receiving the completed questionnaire at your earliest.

1. Name:
2. College:
3. How does the life insurance industry rank in popularity with other industries bidding for your graduates?
4. What do you think are the principal reasons for its popularity of lack thereof?
5. Is it easier to recruit for life insurance company sales ( ) or non-sales ( ) positions?
6. Do the life insurance companies typically obtain their "share" of top-notch graduates (in terms of leadership, personality, scholarship, etc.) for employment?

How would you account for their success

7. Do students express strong preference for those life insurance companies which offer a formal training program?
8. Approximately how many life insurance companies visit your office or contact you sporadically to fill occasional vacancies?
9. Approximately how many life insurance companies visit your office on an annual (or semi-annual) basis for recruitment?
10. How would you appraise the caliber of life insurance company recruiters?

11. Please indicate if starting salaries offered to non-technical graduates in the following positions are typically below, above, or equal to the starting salaries offered by life insurance companies for similar positions

Above      Below      Equal to

Accounting, Public  
Accounting, Industrial  
Advertising  
Banking  
Sales  
Production management  
Retailing  
Utilities

12. Are there other aspects of life insurance company employment with which graduate students have been favorably or unfavorably impressed?
13. Additional comments are welcomed.

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